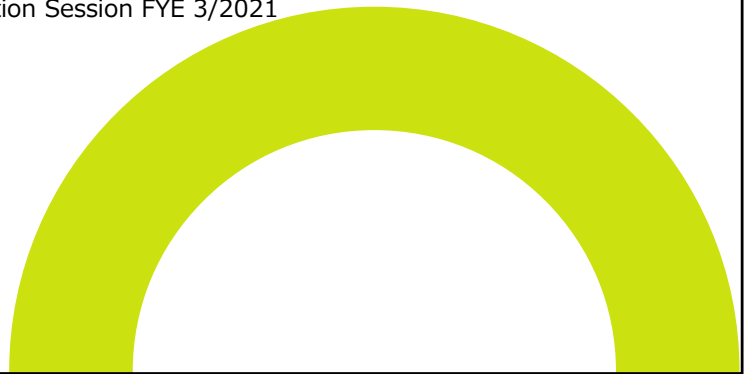


2021 Marubeni's Sustainability

Marubeni Sustainability Information Session FYE 3/2021

March 2021
Marubeni Corporation

Marubeni



Outline of Today's Meeting

Topics

Sustainability of the Marubeni Group

- Initiatives for Environmental and Social Issues
- Strengthening the Foundations for Value Creation

Presenter

Takayuki Furuya

Managing Executive Officer, Member of the Board
CSDO (Chief Sustainable Development Officer)
CFO

Disclaimer Regarding Original Language

This material is an English language translation of the materials originally written in Japanese. In case of discrepancies, the Japanese version is authoritative and universally valid.

Hello, my name is Furuya. Thank you very much for participating in today's event.

I would like to introduce the Marubeni Group's sustainability initiatives to you all today.

Table of Contents

1. Introduction

- What is Sustainability for the Marubeni Group?

2. Initiatives for Environmental and Social issues

- Climate Change
- Sustainable Forestry
- Sustainable & Resilient Value Chains
- Human Rights & Co-Development with Communities
- Governance System and Risk Management Process relating to Sustainability

3. Strengthening the Foundations for Value Creation

- Corporate Governance
- HR Strategies

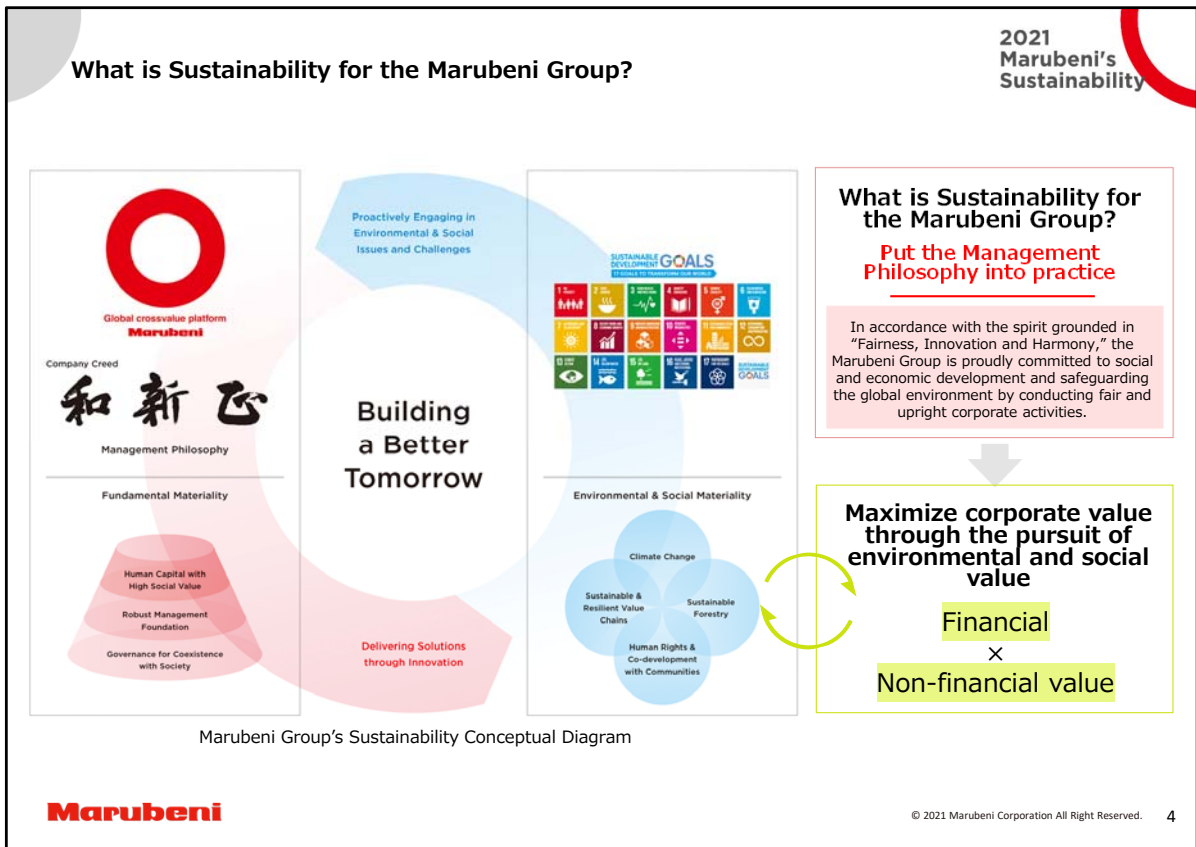
Appendix

Today, I will start off with our initiatives for addressing environmental and social issues, covering the four categories of Environmental and Social Materiality at Marubeni, before moving on to explain our approach to corporate governance and our HR strategies as part of a strengthening of the foundations for value creation.

Among the Environmental and Social Materiality categories, I would like to focus on the "Marubeni Long-Term Vision on Climate Change," which was announced yesterday.

Sustainability of the Marubeni Group

1. Introduction



First, let me explain what sustainability means to the Marubeni Group.

Our Company Creed is "Fairness, Innovation and Harmony". We are proudly committed to being a corporate group that contributes to the development of the economy and society as well as the conservation of the global environment through fair and upright corporate activities in accordance with this company creed. This is the management philosophy of the Group.

As you can see, sustainability is our way of putting our management philosophy into practice.

We have identified human capital, management foundation, and corporate governance as the three most important elements for implementing sustainability as our "Fundamental Materiality". In addition, we have identified climate change, sustainable forestry, human rights and co-development with communities, and sustainable and resilient value chains as the four elements of the "Environmental and Social Materiality" that we must focus on to address environmental and social issues.

In terms of the relationship with corporate value, we regard the creation of environmental and social value as a trade-on relationship that will lead to the sustainable growth of the Company and the enhancement of corporate value.

Through the creation of environmental and social value, we will seek to maximize corporate value through the enhancement not only of financial value but also of non-financial value. This is the fundamental thinking that underpins the Marubeni Group's value creation story.

Sustainability of the Marubeni Group

2. Initiatives for Environmental and Social issues

Climate change is an urgent social issue with global implications. By contributing to climate change measures through our businesses, we will ensure the sustained growth of the Marubeni Group.

Basic stance on climate change

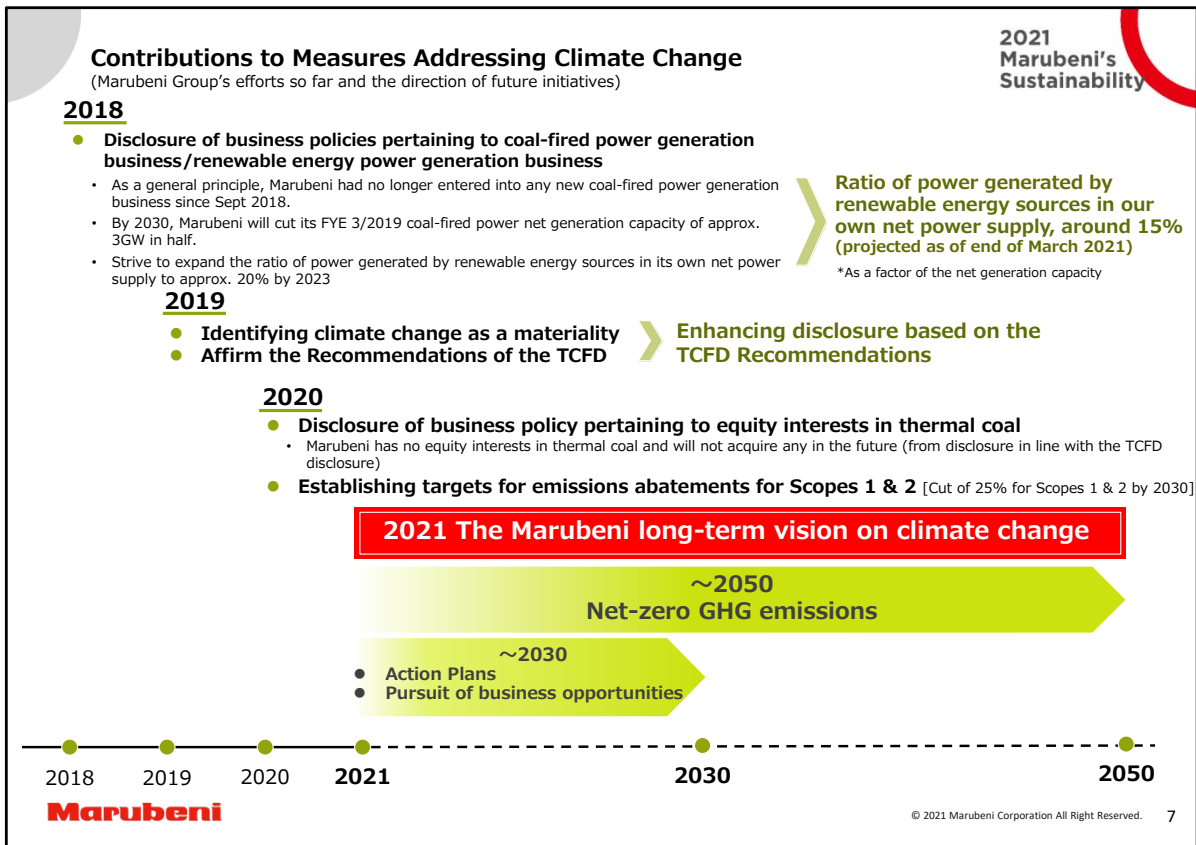
The Marubeni Group is striving to anticipate shifts in society linked to climate change and to create growth opportunities while mitigating related risks.

<p>1. GHG emissions-reduction business creation</p>	<p>One aim of our growth strategy is to create new businesses to reduce emissions of greenhouse gases (GHGs), especially GHG emissions by other emitters*. At the same time, we are working to reduce the GHG emissions of the Marubeni Group.</p> <p>* GHG-emitting entities not in the Marubeni Group, notably business partners and suppliers of products and services</p>
<p>2. Flexibility to revise business portfolio</p>	<p>With businesses expected to face obsolescence or downward earnings pressure due to climate change, we will consider alternatives, including exiting the business. To avoid damaging corporate value, we aim to revise our business portfolio at the appropriate time and to change asset allocations accordingly.</p>
<p>3. A highly diversified business portfolio</p>	<p>The Group's business portfolio is highly diversified, providing a high degree of resilience to climate change. Potential impacts on the Group's finances due to the risks within specific industries or businesses are expected to be limited.</p>

Let me now explain in detail about our initiatives to address environmental and social issues, the first of which is contribution to measures to address climate change.

The Marubeni Group's basic stance on climate change aims to anticipate issues and shifts in society linked to climate change and to create growth opportunities while mitigating related risks.

Specifically, we have established "GHG emissions-reduction new business creation" as one of our growth strategies and will continue to work on "Flexibility to revise business portfolio" to develop a highly-resilient, "highly diversified business portfolio."



With these ideas in mind, we have been promoting specific initiatives to address climate change.

In FYE 3/2019, Marubeni announced the “Notification Regarding Business Policies Pertaining to Sustainability (In Relation to Coal-Fired Power Generation Business and Renewable Energy Generation Business)”.

In this document, which outlined the process of shifting away from coal-fired power generation, it was announced that:

- (1) As a general principle, the Company would no longer enter into any new coal-fired power business;
- (2) By 2030, Marubeni will cut its FYE 3/2019 coal-fired power net generation capacity of approximately 3GW in half, and;
- (3) Marubeni will strive to expand the ratio of power generated by renewable energy sources in its FYE 3/2019 net power supply to approximately 20% by 2023.

We have been disclosing the progress of these measure as appropriate. The ratio of power generated from renewable energy sources in the Company’s net power supply is expected to be approximately 15% at the end of March 2021.

In FYE 3/2020, we identified climate change as one of the Environmental and Social Materialities and affirmed our support for the TCFD recommendations. We will continue to enhance disclosures based on the TCFD recommendations.

With regard to our equity interests in thermal coal, in FYE 3/2021, we have established a policy of not acquiring any new equity interests in thermal coal and have also established greenhouse gas emission abatement targets for Marubeni Corporation and its consolidated companies.

For the purpose of medium- and long-term contributions to measures addressing climate change, Marubeni has formulated the long-term vision on climate change. Under this vision, Marubeni has set a goal to strive for net-zero GHG (greenhouse gas) emissions by the group by 2050. In addition, we have formulated a series of action plans towards 2030 in order to make the goal of net-zero GHG emissions by 2050 effective.

The Marubeni Group Long-Term Vision on the Climate Change

2021
Marubeni's
Sustainability

- **Transforming the environmental impact of our businesses to a positive one**

The Marubeni Group aims to transform the total environmental impact of its business activities to a positive one by contributing to low-carbon and decarbonization through its business activities while itself achieving net-zero GHG emissions.

① **Net-zero GHG emissions by 2050 (including zero coal-fired power generation)**

② **Promote contributions to low-carbon/carbon-free goals through Marubeni Group businesses**

The ideals that Marubeni Group aims for

To generate a positive impact on the climate change and grow as a corporate group

① Achieve net-zero GHG emissions by 2050 ② Contribute to low-carbon/carbon-free goals through our businesses

Net-ZERO Emissions

Positive Impact

- **Action Plans towards 2030**

Marubeni has formulated action plans heading towards 2030 in order to make the 2050 net-zero GHG emissions effective. (See following page)

*The boundary of the net-zero GHG emissions goal

- The scope of the 2050 net-zero GHG emissions goal: In addition to Scope 1 and Scope 2, given the influence that the Marubeni Group is capable of wielding on the matter of emissions as well as its lines of business, Marubeni is including emissions by associate investees accounted for using the equity method (hereinafter, "associate investees") covered by Scope 3, Category 15 (Investments)
- Targets for inclusion in carbon dioxide removal: Marubeni will make determinations going forward in light of new trends in international standards, etc.

Marubeni

© 2021 Marubeni Corporation All Right Reserved. 8

I will now explain the Marubeni Group vision for the future that we have formulated.

The Long-Term Vision pillars of two core elements. The first is to achieve net-zero GHG emissions for the Group, and the second is to contribute to the low-carbonization/decarbonization of society through our business activities. By promoting these at the same time, the Marubeni Group aims to transform the total environmental impact of its business activities to a "positive" one.

We strive to grow as a corporate group while creating a positive impact on the climate change issue.

In addition to Scope 1 (Direct emissions) and Scope 2 (Indirect emissions), the scope of net-zero GHG emissions covers emissions from associate investees included in Scope 3 Category 15 (Investments), based on the Group's impact and the importance of business investments.

Action Plans Towards 2030

- 1 Halve the CO₂ emissions of FYE 3/2020, about one million tons of CO₂, emitted by Marubeni and its consolidated subsidiaries (Scope 1 and Scope 2)**
Marubeni has revised [the targeted abatement figure released in September 2020](#) (a 25% abatement from FYE 3/2019 levels by 2030) to make it at a more consistent level to the 1.5°C pathways, and will halve its total volume of emissions, which was about one million tons of CO₂ in FYE 3/2020 by 2030.
 - 2 Reduce by one fifth the CO₂ emissions of FYE 3/2020, about 36 million tons of CO₂*¹, emitted by associate investees of the Marubeni Group (Scope 3, Category 15 (Investments))**
Changes in the emissions volume associated with increased emissions from new investments and fluctuations in the emissions volume by plant load factors, as well as reductions in the emissions volume due to the utilization of new technologies (CCS*², co-combustion of hydrogen and ammonia, etc.), are not included in the assumptions for the above estimation. In the interest of meeting the needs of society as it makes the low-carbon transition, the development of new gas-related projects such as gas-fired power generation businesses will continue. For aspects which could affect the emissions volume by associate investees going forward, we will monitor the progress of abatement of GHG emissions and conduct reviews thereof. In addition, we will continually perform studies with the aim of establishing milestones towards net-zero GHG emissions by 2050 that are consistent with the 1.5°C pathways.
*1 This emissions volume comprises the FYE 3/2020 performance of existing investees plus the estimated emissions from projects already contracted at the current point in time (as for power generation projects, projects for which associate investees of the Marubeni Group has entered into power purchase agreements but has yet achieved commercial operations.)
*2 Carbon dioxide Capture and Storage
 - 3 Move up the timetable to halve the net power generation capacity of our coal-fired power generation businesses**
Based on [our Business Policies Pertaining to Sustainability \(In Relation to Our Coal-Fired Power Generation Business and Renewable Energy Generation Business\) that Marubeni released in September 2018](#), and taking into account the progress made so far in pulling out of coal-fired power generation, we will accelerate our goal of cutting our FYE 3/2019 coal-fired power net generation capacity in half by 2030 to 2025, and aim for approximately 1.3 GW as our coal-fired power net generation capacity in 2030 (included in the above reduction figure ② for associate investees), and further, aim for zero by 2050.
 - 4 Absorb and sequester CO₂ through our forests**
Marubeni will strive to expand the volume of carbon stocks in our forests (currently about 11 million tons of CO₂ equivalents*³) and, at the same time, expand the sequestered volume of carbon through the multi-purpose utilization of afforested assets.
*3 By enlarging some of our plantation areas, improving stock volume per-unit area, and through the proper management of managed forests, estimated volume of carbon stocks in our forests will be about 19 million tons of CO₂ equivalents in 2030.
- By executing these actions, by 2030 the Marubeni Group will try to abate its FYE 3/2020 emissions by one fifth over the total scope covered by our net-zero GHG emissions goal. This plan was formulated to apply to the Marubeni Group's business portfolio at the present time and is based on certain assumptions about current international recognition and foreseeable changes in system and technological innovations. Marubeni will revise them appropriately in light of any future changes to these premises.

Next, I will cover our action plan towards the year 2030.

The first is to halve the CO₂ emissions of Marubeni Corporation and its consolidated subsidiaries on a total volume basis from approximately 1 million tons as of FYE 3/2020. This is a revision of the 25% abatement target announced last year (September 2020) to a 50% abatement target, which is consistent with the 1.5°C pathways.

The second is to abate CO₂ emissions by one fifth on a total volume basis from approximately 36 million tons of CO₂ as of FYE 3/2020 by the Marubeni Group's associate investees.

This figure of approximately 36 million tons of CO₂ emitted as of FYE 3/2020 is based on the actual emissions of existing investees in FYE 3/2020 added to the estimated emissions from currently contracted projects.

It is also assumed that the increase in emissions due to new investments, changes in emissions due to fluctuations in power generation, and reductions in emissions due to the use of new technologies (Carbon dioxide Capture and Storage (CCS), ammonia co-combustion, etc.) are not included in the above assumptions.

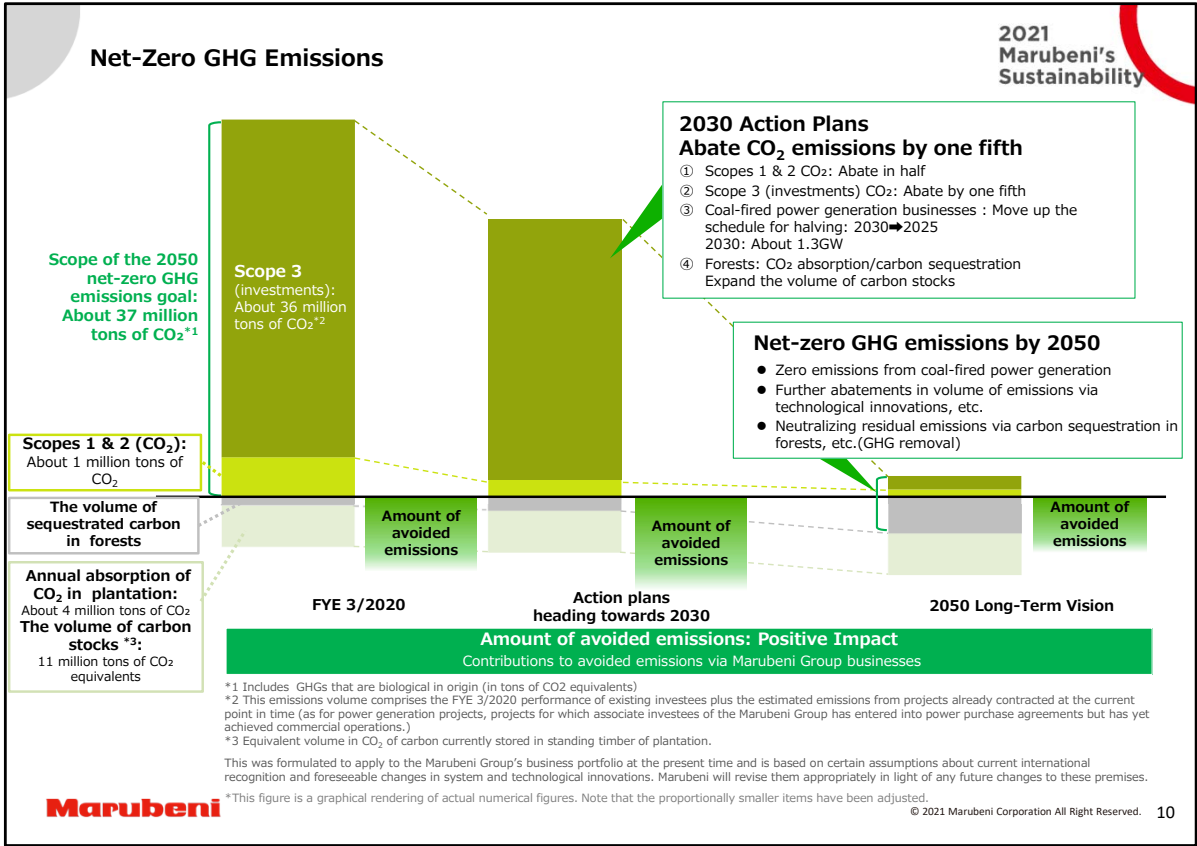
In the interest of meeting the needs of society as it makes the low-carbon transition, the development of new gas-related projects such as gas-fired power generation businesses will continue. For aspects which could affect the emissions volume by associate investees going forward, we will monitor the progress of GHG emissions abatements and conduct reviews thereof.

In addition, we will continue to work on setting milestones to achieve net-zero GHG emissions by 2050 at a level consistent with the 1.5°C pathways.

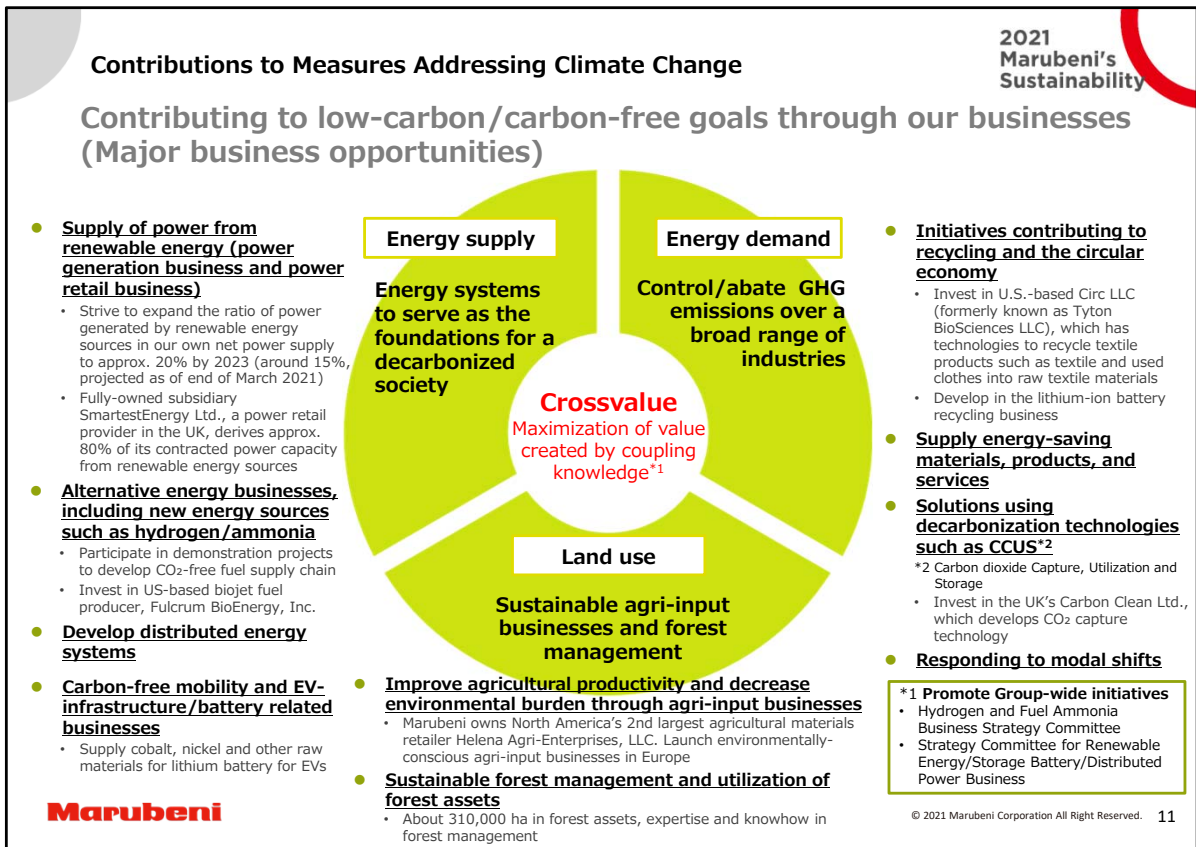
The third regards coal-fired power generation businesses. We will accelerate our goal set in 2018 of cutting our FYE 3/2019 coal-fired power net generation capacity in half by 2030 by now bringing this forward to 2025. We aim for approximately 1.3 GW as our coal-fired power net generation capacity in 2030, and further, aim for zero by 2050.

The fourth is the absorption and sequestration of CO₂ by forests and plantations. The volume of carbon stocks in our forests (currently about 11 million tons of CO₂) will be increased, and efforts will be made to increase the amount of CO₂ sequestration through the multi-purpose use of plantation assets. The estimated volume of carbon stocks in our forests will be about 19 million tons of CO₂ equivalents in 2030.

By executing these action plans, by 2030 we will try to abate its FYE 3/2020 emissions by one fifth over the total scope covered by our net-zero GHG emissions goal. In implementing the Action Plans, we will continue to work on enhancing disclosures and ensuring transparency.



This slide shows the long-term vision for net-zero GHG emissions in 2050 and action plans towards 2030. I hope you find it to be useful information.



Next, I will talk about another one of the central pillars of the Long-Term Vision on Climate Change, which is to contribute to a low carbon society and decarbonization through our business activities.

We believe that the business of creating solutions to climate change is an important opportunity in our Horizon Strategy, which is to strengthen existing businesses (Horizon 1 and Horizon 2) and to create new business models (Horizon 3).

In this context, from the perspective of climate change, we have classified business opportunities for the Company into three categories: energy supply, energy demand, and land use.

In the field of energy supply, businesses related to the development of energy systems that will form the foundations of a decarbonized society include the supply of power from renewable energy sources, alternative energy businesses, including new energy sources such as hydrogen and ammonia, the development of distributed energy systems, carbon free mobility, and EV infrastructure and battery-related businesses.

In the area of energy demand, businesses that contribute to the control and abatement of GHG emissions over a broad range of industries include the recycling and circular economy sectors, the supply of energy-saving materials, products, and services, the provision of solutions using decarbonization

technologies such as Carbon dioxide Capture, Utilization and Storage (CCUS), and the response to modal shifts.

In the area of land use, these opportunities include improving agricultural productivity and decreasing environmental impact through agri-input businesses, and sustainable forest management and utilization of forest assets.

To address these various promising business opportunities, we would like to promote company-wide cross-sectional initiatives that extend across the Marubeni Group.

Due to time limitations, I will not go into details today, but I would like to set up an opportunity for a meeting on business operation on the details of specific initiatives, progress status, and so on.

We engage in forestry management, unique to the Marubeni Group, that is geared towards the sustainable use of “forests” and “wood resources.”

The Marubeni Group owns around 140,000 hectares of tree plantations in Indonesia and Australia (Total gross project area: around 310,000 hectares).

● **Carbon absorption and carbon stocks**

- Absorbs around 4 million tons of CO₂ per year and the volume of carbon stocks in our forests as a whole is about 11 million tons of CO₂ equivalents
 - ➔ The estimated volume of carbon stocks by 2030 is about 19 million tons of CO₂ equivalents.

● **Initiatives for innovation**

- In FYE 3/2022, a forest innovation contest is scheduled in Western Australia.
- We will invite some external parties to submit proposals for new business idea to solve social issues utilizing forest resources based on the forest plantations of the Marubeni Group.

● **Forestry certification and supply chain management**

- Obtained international forestry certifications (100% coverage of areas).
- Conducted a supplier survey (Survey coverage: 84% based on the amount of goods purchased) on forest-derived products (wood and related products), based on the Product Procurement Policy.

*The two consolidated subsidiaries of the Marubeni Group engaged in the tree planting business are WA Plantation Resources Pty., Ltd. of Australia and PT. Musi Hutan Persada of Indonesia.



Forest planation of PT. Musi Hutan Persada (Indonesia)



Nursery of PT. Musi Hutan Persada

Next, I will expand on sustainable forestry in more detail.

We believe that forests are an important resource that can provide solutions to various societal issues, and that their role in CO₂ absorption, in particular, is becoming increasingly important.

We have approximately 140,000 hectares of tree plantations in Indonesia and Australia, covering an area about 2.2 times the size of Tokyo's 23 wards, and all of them have acquired international forestry certification.

As explained earlier, as part of the 2030 Action Plans, the amount of CO₂ absorbed by our extensive plantations is approximately 4 million tons of CO₂ per year, and now the total amount of CO₂ stock volume in our plantations is equivalent to approximately 11 million tons of CO₂. With the expansion of certain areas of the plantations and the increase in the amount of carbon stocks per unit, we expect to have 19 million tons of carbon stocks in the forests by 2030.

The global concept of CO₂ absorption and sequestration by forests is expected to evolve in the future. We will continue to monitor this area and pursue the acquisition of negative emissions through sound forest and plantation management.

We are also engaged in developing innovative ways to use forest resources.

As an example, we will conduct a Forest Innovation Contest based on our plantation business company in Australia. We hope to receive a wide range of new business ideas from external parties to solve social issues by utilizing forest resources.

By building sustainable and resilient supply chains, we will deepen the “confidence in Marubeni” and create new value with our business partners.

We took a broad view of the entire supply chain of the Marubeni Group, identified potentially high-risk business domains, and conducted surveys and monitoring.

- **Reinforcing the sustainability of Group companies, the “starting point” of the supply chain**
 - Conducted assessments of potential environmental and social risks of approx. 200 Group companies.
 - Completed survey of all consolidated subsidiaries. Confirmed that sustainable business operations were being carried out. Follow-ups continue for Group companies that require further detailed investigations.
- **Approaches and surveys of Tier 1 suppliers (from FYE 3/2022)**
 - Notify Tier 1 suppliers of Marubeni’s policies.
 - Identify 25 items with high sustainability risk and eventually expand the survey to the entire supply chain.

All consolidated subsidiaries (approx. 400)	Companies screened for survey based on business content
Selected for Survey (approx. 200)	Potential risk evaluated using sustainability risk assessment method



Marubeni

Next: Sustainable and resilient value chains.

By building sustainable and resilient supply chains, we are working to enhance “confidence in Marubeni” and create new value with our business partners.

This year, we conducted assessments at about 200 of our consolidated subsidiaries, which are the "starting point" of our supply chain and confirmed that they are operating their businesses in a sustainable manner.

For those Group companies that require more detailed on-site investigations, we will conduct follow-ups to further improve the overall performance of all our consolidated subsidiaries.

The next step is to conduct assessments of Tier 1 suppliers with whom we have a direct business relationship.

In order to gain the understanding and cooperation of our suppliers, we will be contacting each of them by the end of this month with our ideas and policies (to be completed by the end of March this year).

We also conducted an analysis of potential risks by looking at our entire supply chain, and identified the 25 items with a high level of risk in terms of sustainability. Focusing on these 25 items, we will carry out surveys and monitoring of Tier 1 suppliers and work with them to improve and enhance management systems for the items identified through these inspections.

By increasing the value of the entire supply chain and building a sustainable supply chain in collaboration with our suppliers, we hope to foster stakeholder confidence and expand new business opportunities.

Putting into practice the three "human rights" initiatives required by the UN Guiding Principles (UNGPs) and Japan's NAP*

Principle 16 **Policy Commitment**

As the basis for embedding their responsibility to respect human rights, business enterprises should express their commitment to meet this responsibility through a statement of policy

Principle 17~21 **Carry out human rights due diligence**

In order to identify, prevent, mitigate and account for how they address their adverse human rights impacts, business enterprises should carry out human rights due diligence. The process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed.

Principle 22 **Remediation**

Where business enterprises identify that they have caused or contributed to adverse impacts, they should provide for or cooperate in their remediation through legitimate processes.

Source : The UN Guiding Principles on Business and Human Rights

* The NAP (National Action Plan) on business and human rights is an action plan, which each country has been recommended to establish, based on the UN Guiding Principles on Business and Human Rights adopted in 2011. In the fall of 2020, the Japanese government established and announced Japan's NAP.

1. Establish a human rights policy

In FYE 3/2019, we formulated the "Marubeni Group Basic Policy on Human Rights" and revised the "Basic Supply Chain Sustainability Policy."

2. Conduct human rights due diligence (human rights DD)

- From FYE 3/2021, conduct human rights DD on all new business projects.
- Conduct human rights DD on existing business projects through surveys on consolidated subsidiaries.
- Expand human rights DD to the supply chain through surveys of Tier 1 suppliers.

3. Build a remediation mechanism (grievance mechanism)

Develop an internal system for responding to complaints in relation to human rights concerns as a grievance mechanism.

Identify business areas and geographical regions that pose high human rights risks

Formulate and implement risk mitigation measures

Next, I would like to talk about the approach to Human Rights & Co-Development with Communities.

Essentially, it is in line with the UN Guiding Principles on Business and Human Rights adopted by the United Nations in 2011, and the NAP (National Action Plan) on business and human rights, which is an action plan the Japanese government established and announced in October 2020.

With regard to the first item concerning human rights, the Company formulated and announced the "Marubeni Group Basic Policy on Human Rights" in FYE 3/2019. We are working to promote and implement this policy both within and outside the Group.

With regard to the second item of human rights due diligence, comprehensive human rights due diligence has been carried out for all new business projects from FYE 3/2021. Human rights due diligence has also been completed for existing business projects. In addition, in the next fiscal year, we plan to conduct human rights due diligence on Tier 1 suppliers as part of our sustainability survey.

As to the third item which is the remediation mechanism (grievance mechanism), we have established an internal process to handle complaints in relation to human rights in accordance with international standards this year. We would like to consider setting up a contact point from the next fiscal year.

In addition to implementing these three objectives, we have identified business areas and geographical regions that pose high human rights risks to the Group.

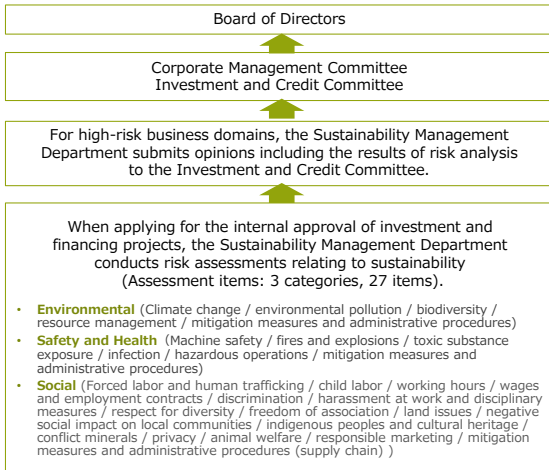
Going forward, we will expand our surveys to cover the entire supply chain and formulate and implement effective risk reduction measures.

Governance system and risk management process relating to sustainability

● Board supervision

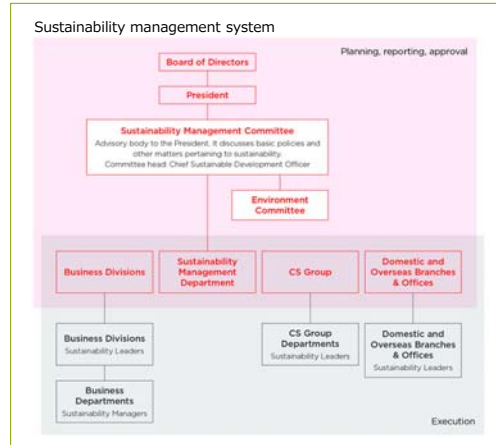
- According to internal rules, reporting from the Sustainability Management Committee to the Board of Directors is mandatory.
- At the time of the reporting, important management matters on sustainability are deliberated and directions are determined by the Board of Directors.

● Process of managing sustainability risk in investments and loans



● Sustainability Management Committee

- Committee Head: CSDO (Member of the Board)
 - Deputy Committee Head: CSO (Member of the Board)
 - Advisers: Two Outside Directors and one Outside Audit & Supervisory Board member
- (In addition to the Committee Head and Deputy Committee Head, 16 committee members are selected from each Business Division, Finance Department, and Corporate Planning & Strategy Department) A committee comprising 18 committee members, three advisors, and the Sustainability Management Department as the secretariat



Up to here, I have explained our approaches to environmental and social issues; this slide summarizes the "Governance system and risk management process relating to sustainability".

In this context, for the risk management process, we have introduced a new system to assess the sustainability risks of each investment and financing projects from the three categories of environment, safety and health, and society, with an overall perspective covering 27 items. We have established a system to continuously evaluate our business from the perspective of sustainability, including the monitoring of existing businesses.

Sustainability of the Marubeni Group

3. Strengthening the Foundations for Value Creation

Marubeni

Moving on, I would like to discuss corporate governance and HR strategies to strengthen the foundations for value creation.

<GC2021>

Further enhancement of
corporate governance

Effectiveness

Further improvement of the effectiveness and
the supervisory function of the Board of
Directors

Transparency

Fair and clear disclosure of information and
strengthening engagement with diverse
stakeholders

Group Governance

Strengthening Group company management
by sharing the governance policy with Group
companies according to the Marubeni Group
Governance Policy and by clarifying the roles
of the Group companies and Marubeni as the
shareholder/owner

**Environment and trends
surrounding corporate governance**

- Revision of the Companies Act (effective as of March 1, 2021)
- Revision of the Corporate Governance Code (Scheduled for spring of 2021)
- Restructuring of the Tokyo Stock Exchange (Transition date: June 30, 2021, Transition reference to a new market: April 2022)

**Keeping in mind the above effects,
initiatives to strengthen corporate
governance in line with GC 2021
will be promoted (For FYE 3/2021
initiatives, see next page).**

In terms of corporate governance, we have positioned effectiveness, transparency, and Group governance as the core issues in our Medium-Term Management Strategy GC2021.

Looking at the environment surrounding corporate governance at this point in time, we can see several developments, such as the revision of the Companies Act (effective as of March 1, 2021), the revision of the Corporate Governance Code, and the restructuring of the Tokyo Stock Exchange.

The Company is promoting initiatives to strengthen corporate governance in light of the impact of each of these developments.

Main initiatives for FYE 3/2021

Effectiveness
and
transparency

- **Effectiveness evaluation for the Board of Directors**
 - Confirmed that the Board of Directors is being operated effectively overall, according to the results of an evaluation by an outside expert organization.
 - Identified issues in depth through questionnaires and interviews, which will lead to effective improvements.
- **Strengthening the functions of the Board of Directors**
 - Increased the number of outside directors to five (Current ratio of outside directors to all directors: 45%) from FYE 3/2021.
 - Deliberated measures to strengthen the functions of the Board of Directors and fair and clear disclosure
- **Cross-shareholdings**
 - Upon conducting a comprehensive examination of quantitative and qualitative aspects for each holding, the significance of the cross-shareholdings is reviewed and assessed by the Board of Directors each year.
 - If any of the cross-shareholdings is no longer significant, they are sold, in principle, and the number of issues held has been decreasing.
FYE 3/2010: 551 issues held → FYE 3/2015: 363 issues held → FYE3/2020: 267 issues held
- **Listed subsidiaries**
 - Currently Marubeni has only one listed subsidiary (and five listed affiliates)
 - In the Corporate Governance Report, Marubeni discloses its approach to and policy for the governance of the Group, the significance of holding a listed subsidiary, and measures to ensure the effectiveness of the governance system of the listed subsidiary, etc.

Group
governance

- **Marubeni Group Governance Policy**
 - The policy was established in 2017, aiming to maximize the corporate value of the Group and achieve sustainable growth, with the goal of sharing and disseminating the Group's management policies and strengthening corporate governance by clarifying the roles, authority, and responsibilities of Marubeni and its Group companies. The Board will continue to monitor actions to further disseminate the policy and put it into practice.

The following is an explanation of the main initiatives for FYE 3/2021.

First of all, regarding the effectiveness evaluation for the Board of Directors, one of the issues to be addressed this year is "enhancing discussions based on feedback to the Board of Directors regarding the expectations of shareholders." As with the Long-Term Vision on Climate Change, we would like to ensure the fair and clear disclosure of information, engage in constructive dialogue with investors, and provide feedback to improve the effectiveness of the Board of Directors.

With regard to strengthening the functions of the Board of Directors, we will continue to review the composition of the Board of Directors and consider the disclosure of the content of the Directors and Audit & Supervisory Board Members' compensation system and the skills matrix, and so on.

With the restructuring of the Tokyo Stock Exchange, we recognize that we are in an environment where we need to further reduce our cross-shareholdings. We conduct an examination of the significance of holding each individual stock every year, and the Board of Directors then reviews and assesses these results. In principle, if any of the cross-shareholdings is no longer significant, they are sold. As a result, we have continued to reduce the number of stocks we hold, with the number going from 551 as at FYE 3/2010 to 267 as at FYE 3/2020.

As for the measures to be taken for listed subsidiaries and affiliates, this is also related to the restructuring of the TSE, but we plan to take measures based on the premise of enhancing the corporate value of Group companies and building an effective corporate governance system.

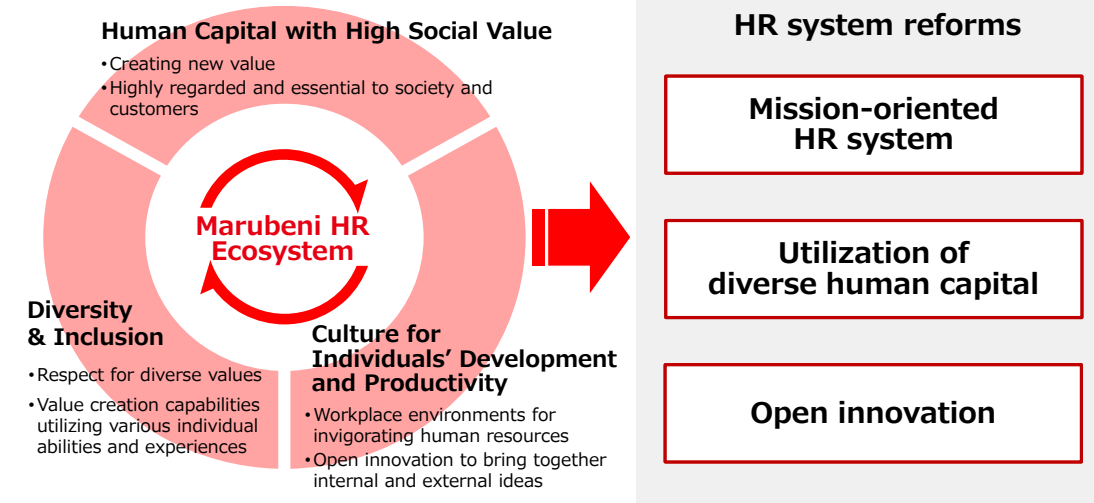
Finally, I would like to talk about Group governance.

In recognition that enhancing the corporate value of Group companies is essential to maximizing the corporate value of the Marubeni Group, we formulated the Marubeni Group Governance Policy in 2017.

The key point of this was to share the Group's management policy and to clarify the roles, authorities, and responsibilities of the Corporation and Marubeni Group companies. This has strengthened the management of each Group company, and we believe that the results are now steadily emerging.

<GC2021 Marubeni Group HR Strategies>

Execute the Marubeni Group HR strategy where every single Marubeni Group employee is involved in creating new value as part of a "Global crossvalue platform."



Lastly, I would like to talk about our HR strategies.

The Medium-Term Management Strategy GC2021 sets out the Marubeni Group's HR strategy as aiming for "human capital with high market value," "diversity and inclusion," and a "culture for individual development and productivity."

In order to manifest these HR strategies, we began the process of reforming our HR systems this year. The three key themes of this reformation process are a "mission-oriented HR system", "Active participation of diverse human capital" and "open innovation".

HR system reforms

Mission-oriented HR system

- **Alignment with the strategy**
The system will be overhauled into a system where qualifications and remunerations are re-examined each year (management layer) based on the mission (role) gleaned from the organization's strategies and the degree of contribution.
- **Promoting "performance-oriented" and "taking on challenges"**
Performance-oriented treatment will be thoroughly enforced to encourage employees to take on the challenge of significant missions that will lead to the execution of strategies and the growth of human capital.

Utilization of diverse human capital

- **Diverse recruiting of human capital**
In addition to traditional recruitment, the recruiting of diverse human capital will be promoted by carrying out Number One recruitment and job-based recruitment, and we will aim for a ratio of 40 to 50% of female hires to total hires.
- **Greater flexibility in workstyles and careers**
Create an environment where each employee can demonstrate his or her capabilities to the fullest through various measures including the provision of flexible hours and locations, and the establishment of a new limited area category for managerial track employees.

Open innovation

- **Combining human capital beyond the company and the organization**
External personnel exchange programs, internal fostering programs, and the FA system will be improved. We will promote value creation through the aggregation of diverse knowledge by adopting the "Crosshelp" system to internally recruit short-term help, in addition to the "15% Rule," which allows volunteers to engage in the businesses of other organizations.
- **"Crossvalue Coin"**
The "Crossvalue Coin" system which rewards contributions to other organizations with added bonus payment will be adopted.

The mission is aligned with the strategy. We have revised our evaluation system so that each employee is assigned a mission based on a department's strategy, and evaluations correspond with the magnitude of their mission and the degree of their contribution. Moreover, the fact that evaluations are reviewed annually rather than cumulatively is expected to promote the growth of human capital and encourage employees to take on even greater missions.

We have been working on various diversity measures, and we recently set a policy to increase the total ratio of female hires to 40- 50%.

In terms of open innovation, we are working on a variety of initiatives, and the "Crossvalue Coin" system, which rewards employees for their contributions to other organizations with an additional bonus, is a unique initiative that I think is unique to our company.

In addition to these efforts, please refer to the footnotes in the appendix for more information on the various types of innovation initiatives underway.

<Closing>

This concludes my presentation on the Group's approach to sustainability.

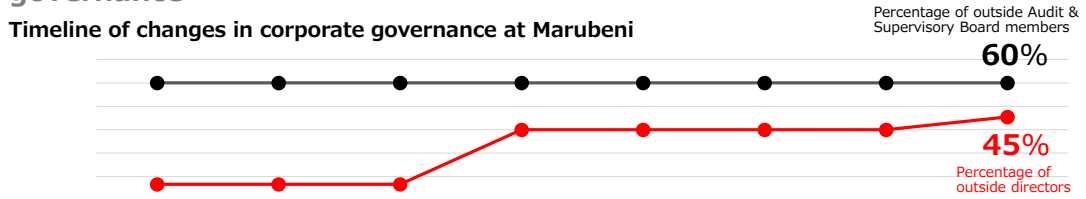
As I mentioned at the beginning, by steadily moving forward with these sustainability measures, we hope to create environmental and social value, and in turn, increase our corporate value.

Sustainability of the Marubeni Group

Appendix

Timeline of changes in corporate governance and current corporate governance

Timeline of changes in corporate governance at Marubeni



	2013	2014	2015	2016	2017	2018	2019	2020	
Enhancement of management transparency and soundness	Formulation of standards and methodology regarding independence of outside executives			<ul style="list-style-type: none"> Establishment of Nomination Committee Establishment of Governance and Remuneration Committee Implementation of effectiveness evaluations for the Board of Directors Formulation of appointment criteria for Directors and Audit & Supervisory Board members 			<ul style="list-style-type: none"> Establishment of Sustainability Management Committee 	<ul style="list-style-type: none"> Abolishment of Advisor System 	
Enhancement of supervisory and audit functions	<ul style="list-style-type: none"> Appointment of female outside director (one person) 			<ul style="list-style-type: none"> Increase in outside directors (four persons) 				<ul style="list-style-type: none"> Increase in outside directors (five persons) 	
Enhancement of decision-making functions			Abolishment of managing officer system, adoption of Group CEO system				Flattened the chain of command from four layers to three layers		

Composition of the Nomination Committee and the Governance and Remuneration Committee (as of March 2021)

● Outside (Independent) Officers ● Internal Officers



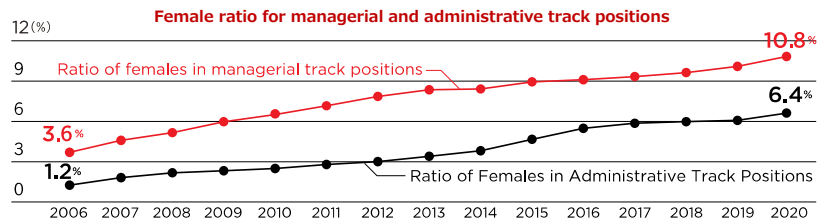
Utilization of diverse human capital

Promoting diversity management

- Further promote diversity and inclusion within the Group to build a corporate culture and workplace environment that utilizes the strengths of diverse individuals.
- Develop the infrastructure that allows employees with a varied range of backgrounds to achieve results.
- 「Promote work-life management that aims to achieve “continuous career development” and “continuous performance.”

Female empowerment at work

- Strengthen the recruitment of new female graduates for the managerial track and female career development
- Provide an environment where female employees can play leading roles regardless of the events in their lives.



Greater flexibility in workstyles and careers

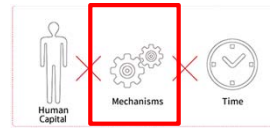
- Enhance “Work Anywhere” (telework) and the flextime work system.
- Establish a new limited area category for managerial track employees.

Open innovation



<p>Marubeni Academia</p>	<ul style="list-style-type: none"> • Cultivate “evangelists” who can drive innovation within the Marubeni group. • Provide an opportunity to discuss innovation with diverse members with different career backgrounds, nationalities and characters. • A comprehensive program to understand Marubeni’s businesses, world-leading business models, innovation models, and management systems. • Participants will give a presentation to the board on the issues that Marubeni should address and the possible solutions based on what they have learned through the program.
<p>External Personnel Exchange Program</p>	<ul style="list-style-type: none"> • A program developed to expand and enhance personnel exchanges with companies outside the Group by mutually dispatching employees for extended periods of time (several years) with leading companies in various industries. • Promote revitalization of the organization by temporarily taking on staff from other companies and adopting new perspectives. • This exchange program will not only expand Marubeni’s business networks but will also enable the development of high-potential employees who can discover value and/or capabilities for the Marubeni Group with an objective eye, and capture new business opportunities.
<p>Crosshelp</p>	<ul style="list-style-type: none"> • Organizations may conduct internal recruiting to find a suitable employee, or employees, who volunteer to use the 15% Rule to engage with and support other business teams. • The participants of this program will be rewarded with Crossvalue Coin in accordance with their contribution.

Open innovation



Business Model Canvas



- Organize and visualize all assets and 300+ business models of the Marubeni group.
- Various information on our businesses, including assets, transactions, and business networks, are available to all Marubeni employees.
- Provides visualization of other business units' assets, customer segmentation, and other valuable information to promote synergies between new values and assets, and encourage the creation of new business.

Business Plan Contest



- An open business plan proposal/fostering program for Marubeni Group employees. Approximately 350 applications have been submitted in just three years of running the contest.
- Aim to evaluate, develop, and commercialize new business ideas widely solicited from Marubeni Group employees to encourage revitalization and creation of an innovative climate throughout the Group.
- The winners of the contest may devote all of their working hours to launching their business idea.

Crossvalue Coin

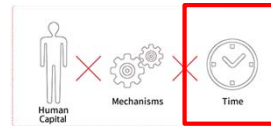


- The head of a Division or Region who benefited from the internal recruitment program may reward the employee/participant with a "Crossvalue Coin" for their contribution. The reward will be reflected in the employee's bonus payment in the following fiscal year.
- The scope of this reward program will further expanded to include provision of necessary resources including information, ideas, and a network of connections.

How Crossvalue Coin Works



Open innovation



15% Rule



- An initiative that allows for employees to allocate about 15% of their work hours to activities aimed at developing businesses, whether it is entirely new or an improvement of an existing business, regardless of the business area to which they are currently assigned. This will help to increase the value of the Marubeni Group.



- We have conducted the Business Improvement Project to reengineer our in-house business practices, looking at issues such as reduction of internal paperwork requirements.
- The time saved will be reallocated and used for the 15% Rule.